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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 001196

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FROM AIT DIRECTOR STANTON FOR EAP A/S CAMPBELL AND CA A/S
JACOBS

E.O. 12958: DECL: 10/03/2019

TAGS: [CVIS](#) [PREL](#) [TW](#)

SUBJECT: VISA WAIVER FOR TAIWAN: THE U.S. NATIONAL INTEREST

Classified By: Director Bill Stanton for reasons 1.4(b/d)

11. (C) Summary: One of the most pro-United States places in the world, Taiwan has a highly literate, technologically advanced, and well-educated population, no links to terrorism, a low rate of fraud related to U.S. visas and immigration, and strong commercial, travel and educational links to the United States. Countries such as the UK and Japan have already recognized the value of visa-free entry for Taiwan travelers. Canada is on the brink of doing so. Encouraging a process designed to bring Taiwan into the U.S. Visa Waiver Program (VWP) would advance fundamental U.S. security, commercial, and political interests. AIT/Taipei has established a working group to oversee AIT's engagement with Taiwan and the US interagency community on the VWP issue. Post recommends that, if Taiwan makes progress in clearly-defined areas, the U.S. should designate Taiwan as an official candidate for VWP. End Summary

12. (C) Taiwan President Ma Ying-jeou has made securing entry in to the U.S. Visa Waiver Program (VWP) a top priority for his administration. Up to now, the U.S. response has been to acknowledge that this is a reasonable aspiration and to press Taiwan to improve its passport application procedures to reduce vulnerabilities to fraud. Pursuing a more forward-leaning process designed to bring Taiwan into the VWP would, however, advance fundamental U.S. security, commercial, and political interests, as outlined below.

Security

13. (C) A well-designed VWP admission process would resolve concerns about the vulnerability of Taiwan travel documents to abuse by (primarily PRC) mala fide travelers. Currently, there is no personal appearance requirement for applicants for Taiwan passports. Already, there have been cases of mala fide PRC travelers using Taiwan passports to travel to the United States. The increase in travel and other interactions between the PRC and Taiwan that has accompanied improved cross-Strait relations makes it likely that this problem will continue. To meet requirements for admission to VWP, Taiwan will need to adopt stricter mechanisms to reduce vulnerability. As we seek to resolve these issues, we should not lose sight of the fact that, from a security (including border security) perspective, Taiwan is already an attractive partner. Few if any Taiwan people have been linked to transnational terrorism, and there is no history of terrorists using Taiwan travel documents or transiting Taiwan ports or airports. Once a major source of U.S. immigrants,

in recent years Taiwan, as a result of its remarkable economic and political progress, has largely reversed this flow and former migrants are returning home.

Prosperity

¶4. (C) Admitting Taiwan to the VWP will create thousands of U.S. jobs. Japan, Canada, the UK, and some EU countries have already granted Taiwan visa waiver status or are in the process of doing so. Whereas travel by Taiwan citizens to most destinations declined precipitously in FY-2009 (U.S.-bound travel dropped by 30% -- on top of an already steady decline over the past number of years), travel to the UK increased by over 30% since the UK visa exemption went into effect in March. The local travel industry, British officials, and Taiwan consular officials agree that the linkage between visa waiver and traveler numbers is clear. The causes underlying individual travel decisions and overall travel trends are complex, and visa-free travel is but one of many contributing factors. Nonetheless, evidence suggests that visa-free travel certainly influences travel patterns.

¶5. (C) Anecdotal evidence indicates, moreover, that at least part of the decline in travel to the United States in recent years by Taiwan travelers is due to negative perceptions of U.S. visa policy and to the cost of applying for U.S. visas, as well as the availability of competitive, visa-waiver destinations. The U.S. Commerce Department estimates that Taiwan travelers accounted for approximately \$1.6 billion in U.S. travel and tourism exports last year. Thus, declining

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travel by Taiwan citizens to the United States represents significant losses in U.S. business. If admitting Taiwan to the VWP reversed even partially the decline in Taiwan travel to the United States, it could translate into thousands of U.S. jobs.

¶6. (C) Taiwan is our 11th-largest trading partner (based on Q1 2009 data). The U.S. is also the largest foreign investor on the island, with over U.S. \$16 billion in cumulative investment. Taiwan is also a significant and growing investor in the U.S., with \$3.9 billion in foreign direct investment and U.S. \$149.7 billion in portfolio investments. Taiwan is also the sixth largest purchaser of U.S. agricultural exports. Taiwan's accession to the VWP would develop and reinforce two-way trade and investment exchange in one of our most important bilateral economic relationships.

Stability

¶7. (C) Integrating Taiwan into the VWP will reinforce regional stability by fostering cross-Strait rapprochement. President Ma's efforts to engage China have greatly reduced the threat of cross-Strait conflict, one of the most important U.S. goals in the region. Ma's policy is premised, however, on strengthened U.S.-Taiwan ties to prevent Taiwan from becoming overly dependent on the PRC. Ma has made clear on numerous occasions that -- aside from approving the sale of F-16 C/Ds, granting VWP status to Taiwan would be one of the most effective ways we could show concrete support for his efforts. Based on the Chinese non-reaction to the decisions of both the UK and Japan to grant visa waiver status for Taiwan, backlash from the PRC to a similar move by the United States should not be a major concern.

Stewards of U.S. Influence

¶8. (C) Perhaps most fundamentally, we should consider Taiwan's candidacy for VWP from the perspective of our role as stewards of an enormous repository of U.S. soft power. Few places in the world are as reflexively pro-American as Taiwan, despite the unofficial nature of our relations. The

extent of U.S. influence here -- cultural, political, economic, and commercial -- is remarkable. The tangible benefits of this influence are clear. The United States exports more to Taiwan than to India or Italy. As many students fly from Taiwan across 12 time zones to study in American colleges as make the drive to do so from Canada. Taiwan is second only to Saudi Arabia as a FMS cash customer.

Indeed, in a place where the President, National Security Advisor, and Vice Premier have advanced degrees from U.S. universities and 21 of 44 Minister-level officials have studied in the United States or have taken part in a USG-sponsored exchange program, it would be easy to take our present predominance as an immutable fact of life.

¶9. (C) It is not, however, and our influence will wane unless we actively nurture our ties. The most significant threats to U.S. predominance in Taiwan society are China's rising economic importance and the relaxation of tensions between Taiwan and China. One result of this rapprochement is that, in the little more than one year since Taiwan and China agreed to direct cross-Straits flights, there are now 270 such flights each week. The United States cannot compete with China in terms of proximity to Taiwan or linguistic affinity.

We should be concerned, however, that it is now easier and cheaper for people here to obtain a travel document to visit the PRC than to apply for a U.S. visa. We have the means to address this concern, which would go a long way to solidify the people-to-people exchanges that form the bedrock of our informal ties with Taiwan.

Working Toward Taiwan's Entry into the VWP

¶10. (C) There is no doubt that Taiwan will continue to press hard for inclusion in the Visa Waiver Program, particularly if Canada joins the UK and Japan in granting visa waiver treatment for Taiwan, as appears likely. American businesses will also continue to press for Taiwan's inclusion in VWP.

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AIT has established a working group to develop a strategy and oversee AIT's engagement on the VWP issue. The working group is chaired by the Deputy Director and coordinated by the consular section chief and includes relevant offices and agencies. We have identified a number of VWP-related issues and programs that merit close engagement with Taiwan, monitoring, and reporting. AIT is sending a copy of this VWP Action Plan to EAP and CA. Until there is USG consensus on a "way ahead," AIT will engage Taiwan on these individual issues and programs on a case-by-case, issue-by-issue basis. We will continue to stress the need to improve the passport application process, but also indicate that we are interested in engaging and working closely with Taiwan to strengthen cooperation in a wide variety of areas that would advance our mutual interests and that might help Taiwan to become a viable candidate for VWP.

¶11. (C) Taiwan has pressed for clarification on what threshold must be met before they can be considered an official "candidate" for VWP. We have responded that the U.S. no longer is identifying "roadmap" countries, but that we will evaluate individual candidacies on a case-by-case basis. We have encouraged Taiwan to press forward with improving its passport application process as a necessary but not sufficient step for a successful candidacy. We have also reminded Taiwan that the current visa refusal rate does not meet U.S. statutory requirements for Taiwan's inclusion in VWP.

Recommendation

¶12. (C) If Taiwan shows progress in key areas of concern, however, particularly on legislation to require a personal appearance for passport applications and on improved mechanisms for reporting lost and stolen passports, it is in

our national interest to respond by designating Taiwan as an
official candidate for VWP.
STANTON